

AMENDED IN SENATE SEPTEMBER 12, 2003

AMENDED IN SENATE JUNE 12, 2003

AMENDED IN ASSEMBLY MAY 5, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1586

Introduced by Committee on Public Employees, Retirement and Social Security (Negrete McLeod (Chair), Levine (Vice Chair), Chan, Correa, Kehoe, Laird, and Nakanishi)

February 21, 2003

An act to amend Section ~~22115 of the Education Code~~ 21390 of, and to add Section 21391 to, the Government Code, relating to ~~state teachers' retirement, and making an appropriation therefor.~~ public employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 1586, as amended, Committee on Public Employees, Retirement and Social Security. ~~State teachers' retirement: benefits~~ Public employees' retirement: benefit limits.

Under the Public Employees' Retirement Law, benefits for local safety members, patrol members, and peace officer/firefighter members may not exceed 90% of final compensation.

This bill would increase this benefit limitation to 100% of final compensation for local safety members and, subject to a specified cost analysis, for patrol members and peace officer/firefighter members in State Bargaining Unit 8. The bill would also make a technical change.

~~Existing law defines "creditable compensation" and "full time" for purposes of calculating retirement benefits for members of the Defined~~

~~Benefit Program of the State Teachers' Retirement Plan. Those definitions were amended as of July 1, 1996, by Chapter 390 of the Statutes of 1995.~~

~~Under this bill, creditable compensation of a member employed by a community college prior to that amendment shall be determined pursuant to the former definition of "full time," if application of that former definition would benefit the member.~~

~~The bill would appropriate \$140,000 from the Teachers' Retirement Fund to the Teachers' Retirement Board to fund the one-time administrative costs of the bill.~~

Vote: majority. Appropriation: ~~yes~~ *no*. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. Section 22115 of the Education Code is~~
- 2 ~~SECTION 1. Section 21390 of the Government Code is~~
- 3 ~~amended to read:~~
- 4 ~~21390. Notwithstanding Sections 21362, 21362.2, 21363,~~
- 5 ~~21363.1, 21369, and 21370, and 21389, for local safety members~~
- 6 ~~who retire on or after January 1, 2002, and with respect to all local~~
- 7 ~~safety service rendered to a contracting agency that is subject to~~
- 8 ~~any of those sections, the benefit limit shall be 90 percent of final~~
- 9 ~~compensation.~~
- 10 ~~SEC. 2. Section 21391 is added to the Government Code, to~~
- 11 ~~read:~~
- 12 ~~21391. (a) Notwithstanding Sections 21362, 21362.2,~~
- 13 ~~21363, 21363.1, 21369, 21370, and 21390, for a patrol member~~
- 14 ~~or a local safety member who retires on or after January 1, 2004,~~
- 15 ~~and with respect to all patrol member service or local safety service~~
- 16 ~~that is subject to any of those sections, the benefit limit shall be 100~~
- 17 ~~percent of final compensation.~~
- 18 ~~(b) Notwithstanding Sections 21363 and 21363.1, this section~~
- 19 ~~shall apply to peace officer/firefighter members in State~~
- 20 ~~Bargaining Unit 8, and related supervisory, managerial, and~~
- 21 ~~confidential positions, who retire on or after January 1, 2004, and~~
- 22 ~~with respect to all peace officer/firefighter service that is subject~~
- 23 ~~to either of those sections.~~
- 24 ~~(c) This section may not apply to patrol members or members~~
- 25 ~~described in subdivision (b) until the board submits to the~~

Department of Personnel Administration and the Director of Finance a cost analysis determining that this section shall result in either neutral cost or cost savings to the state employer.

~~amended to read:~~

~~22115. (a) “Compensation earnable” means the creditable compensation a person could earn in a school year for creditable service performed on a full-time basis, excluding service for which contributions are credited by the system to the Defined-Benefit Supplement Program.~~

~~(b) The board may determine compensation earnable for persons employed on a part-time basis.~~

~~(c) When service credit for a school year is less than 1.000, compensation earnable shall be the product obtained when creditable compensation paid in that year is divided by the service credit for that year, except as provided in subdivision (d).~~

~~(d) When a member earns creditable compensation at multiple pay rates during a school year and service credit at the highest pay rate is at least .900 of a year, compensation earnable shall be determined as if all service credit for that year had been earned at the highest pay rate. This subdivision shall be applicable only for purposes of determining final compensation. When a member earns creditable compensation at multiple pay rates during a school year and service credit at the highest pay rate is less than .900 of a year, compensation earnable shall be determined pursuant to subdivision (e).~~

~~(e) For purposes of determining compensation earnable for a member employed by a community college prior to July 1, 1996, full time shall be defined pursuant to Section 22138.5 and pursuant to Section 20521 of Title 5 of the California Code of Regulations, as those provisions read on June 30, 1996, if application of that definition will increase the compensation earnable or otherwise enhance the benefits of the member.~~

~~(f) The amendments to this section made during the second year of the 1999–2000 Regular Session shall become operative on July 1, 2002, if the revenue limit cost-of-living adjustment computed by the Superintendent of Public Instruction for the 2001–02 fiscal year is equal to or greater than 3.5 percent. Otherwise the amendments to this section made during the second year of the 1999–2000 Regular Session shall become operative on July 1, 2003.~~

1 ~~SEC. 2. The sum of one hundred forty thousand dollars~~
2 ~~(\$140,000) is hereby appropriated from the Teachers' Retirement~~
3 ~~Fund to the Teachers' Retirement Board to fund the one-time~~
4 ~~administrative costs of this act.~~

